

Allowance

Examiner's Amendment

1. Examiner acknowledges Applicant's Arguments/Remarks filed 5/31/2011 in which claims 10 and 12-35 were amended.
2. Attached to this Office Action is an Examiner's Amendment to the claims.
3. Amended claims 13, 20, 23, 27 and 29-32 (re relationship of equations between claims) and 35 (re clarifying language) overcome previous objections, which are hereby withdrawn.
4. Amended claims 10, 17 and 28 (re single volatility in each of claims 10, 17, 28); claims 12, 13, 15, 21, 22, 29-30, 31 (re terms of equation), 33 and 34 overcome previous rejections under 35 USC 112, which are hereby withdrawn.

Response to Arguments

5. Applicant's arguments, see pg. 10, filed 5/31/2011, with respect to objections of claims 28 and 35 (re use of word "binomial") and claims 29-32 (re claim scope) have been fully considered and are persuasive. The referenced objections of claims 28 and 35 and claims 29-32 have been withdrawn.
6. Applicant's arguments, see pg. 12, filed 5/31/2011, with respect to rejections of claims 14, 28 (re "new" value and relation of trees), 31 and 32 have been fully considered and are persuasive. The rejections of claims 14, 28 (re "new" value and relation of trees), 31 and 32 have been withdrawn.

A listing of claims, as amended by Applicant, is attached.

Reasons for Allowance

The following is an examiner's statement of reasons for allowance:

The closest prior art, Widdicks et al., (On the Enhanced Convergence of Standard Lattice Methods for Option Pricing, 2002, The Journal of Futures Markets, Vol. 22, No. 4, pp. 315-338) teaches calculating vega requires two lattices (trees), each with a different volatility (pages 326-327). The prior art fails to teach or suggest computation of a value for node vega at each node of a tree using a single volatility for all nodes; calculations of option price and node vega made at the same time at each node of the trees; and calculation of a value for vega for each tree using values of the option price calculated at each node of a single tree. For this reason claim 10 is allowed over the prior art. Independent claims 17 and 28 are allowed based on similar reasoning. Claims 11-16, 18-27 and 29-35 are allowed based on their dependency.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to CAROL SEE whose telephone number is (571) 272-

9742. The examiner can normally be reached on Monday - Thursday 6:45 am - 5:15 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Carol See/
Examiner, Art Unit 3693

/JAMES KRAMER/
Supervisory Patent Examiner, Art Unit 3693